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HOUSE BILL 1500 By
McDaniel

SENATE BILL 1750
By Davis L

AN ACT to amend Tennessee Code Annotated, Title 68, Chapter 221, relative to rural water supply, water resources and the environment.

WHEREAS, adequate rural waterworks and rural water distribution systems are essential to the health, safety, and economic welfare of the people of this state; and

WHEREAS, not all areas are financially able to undertake actions and projects that would guarantee such adequate rural waterworks and rural water distribution systems will be available to all Tennesseans; and

WHEREAS, present law in Tennessee does not adequately address these issues, thus creating an inability to address this important issue in a timely manner; and

WHEREAS, other states have enacted legislation and implemented programs to alleviate the problems associated with rural water usage and water quality, giving state government more responsibility and authority in this important area; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 68, Chapter 221, is amended by adding sections 2-8 as a new, appropriately designated part.

SECTION 2. Section 68-221-1301.

(a) The purpose of this part is to:

(1) Provide municipalities with financial assistance for extending public water supply services to rural areas; and

(2) Enable the department to receive and use various accounting sources, including grants, gifts, appropriations and matching accounts.

SECTION 3. Section 68-221-1302.

As used in this part, unless the context otherwise requires:

(1) "Account means an account set aside from accounts collected by, and appropriated to, the Solid Waste Management Fund, Tennessee Code Annotated, Section 68-221-821, and shall be known as the rural water supply account of the sewage treatment grant.

(2) "Commissioner" means the commissioner of environment and conservation or the commissioner's authorized agent;

(3) "Department" means the department of environment and conservation through its executive officer, the commissioner of environment and conservation, or the commissioner's legally designated representative;

(4) "System" and "regional water supply system" means a community public water supply system that incorporates municipalities and rural areas.

SECTION 4. Section 68-221-1303.

(a) There is established under the control and direction of the department a separate rural water supply account within the solid waste management fund to facilitate the implementation of this act. Such account shall consist of a portion of moneys appropriated to the solid waste management fund by the general assembly or that may be made available to it from any other source including, but

not limited to, grants, interest earned from the moneys in the fund, public or private gifts and federal matching funds, if available.

(b) The rural water supply account shall be recognized as a separate account within the solid waste management fund on the books of the comptroller and moneys for the fund shall be paid into the state treasury and credited to the account.

(c) The department may make advances from the account to any county, municipality or to counties and municipalities acting collectively or jointly as a regional water authority, for the purpose of meeting the cost of providing public water to rural areas where the residents do not have an adequate supply of public water.

(d) Funds may also be used for advance planning and engineering work necessary or desirable for the development of a comprehensive plan for a regional water supply system that would provide adequate water supply to rural areas.

SECTION 5. Section 68-221-1304.

(a) The state of Tennessee is hereby authorized to make repayable grants to any municipality to assist the municipality in the provision of public water to rural areas that have an inadequate public water supply. Moneys for the grants shall be provided through the account. The account shall operate under the control and direction of the department.

(b) Moneys for the account may be appropriated for use by the general assembly or may be made available to it from any other source including, but not limited to, grants, interest earned from the moneys in the account, public or private gifts and federal matching accounts, if available.

(c) The account shall be established on the books of the comptroller and moneys for the account shall be paid into the state treasury and credited to the account.

(d) The department may make advances from the account or other moneys in the sewage treatment grant to any county, municipality or to counties and municipalities acting collectively or jointly as a regional water authority, for the purpose of meeting the cost of providing public water to rural areas where the residents do not have an adequate supply of public water.

(e) Accounts may also be used for advance planning and engineering work necessary or desirable for the development of a comprehensive plan for a regional water supply system that would provide adequate water supply to rural areas.

SECTION 6. Section 68-221-1305.

(a) The department shall not make any advance pursuant to this section without first reviewing the application for determination as to whether the following conditions have been met:

(1) The proposed area is suitable for development of a rural water supply system from the standpoint of present and projected populations, industrial growth potential, and present and future sources of raw water.

(2) The applicant proposes to undertake long-range comprehensive planning to meet present and projected needs for adequate water service through the construction of a rural water supply system. The determination by the department that the proposed system would be a "regional system," as defined by this article, shall be conclusive.

(3) The applicant proposes to coordinate planning of the rural water supply with land-use planning in the area, in order that both planning efforts will be compatible.

(4) The applicant proposes to employ an engineer licensed to practice in the state of Tennessee to prepare a comprehensive rural water supply plan, which plan will provide detailed information on source or sources of water to meet projected domestic and industrial water demands; proposed system, including raw water intake(s), treatment plant, storage facilities, distribution system, and other waterworks appurtenances; proposed interconnections with existing systems, and provisions for interconnections with other county, municipal and regional systems; phased development of systems to achieve ultimate objectives if economic feasibility is in question; projected water service areas; proposed equipment; estimates of cost and projected revenues; and methods of financing.

(5) Any additional criteria the department shall deem necessary in ensuring the account is being used to effectuate the purposes of this act.

(d) In addition to the above conditions, the department shall not make any advance to any applicant until the following conditions have also been met:

(1) The department has determined that there is a reasonable prospect of federal (or state) aid in the financing of the projected work if the undertaking is one that will be dependent upon federal (or state) aid.

(2) The department has received firm assurances from the applicant that the works or project, if feasible, will be undertaken.

(e) The departments of health and environment and conservation shall promulgate rules and regulations for application purposes.

(f) The department of administration may adopt such rules and regulations with respect to the making of applications or the receipt of advances as are consistent with the terms and purpose of this section.

SECTION 7. Section 68-221-1306.

(a) If funds cannot be found in the current fiscal year to implement the provisions of this act, there is hereby created a special joint committee to study rural water distribution systems, and any other rural water-related environmental, economic, or health-related issues the committee deems appropriate.

(b) The committee shall consist of three (3) members of the House of Representatives and three (3) members of the Senate, to be appointed by the respective speakers.

(c) All appropriate state agencies shall provide assistance to the special joint committee upon request of the chair.

(d) All legislative members of the special joint committee who are duly elected members of the General Assembly shall remain members of such committee until the committee reports its findings and recommendations to the General Assembly.

(e) The special joint committee shall be convened by the member with the most years of continuous service in the General Assembly; and at its first meeting shall elect a chair, vice-chair, and such other officers the committee deems necessary.

(f) The special joint committee shall timely report its findings and recommendations, including any proposed legislation or interim reports, to the One Hundred and Third General Assembly no later than February 1, 2003, at which time the committee shall cease to exist.

SECTION 8. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the

act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 9. This act shall take effect upon becoming a law, the public welfare requiring it.